significant 1995 acquisitions were $1,982 million. The associated obligations assumed, net of deferred taxes of $184 million, were $739 million. The excess of the purchase price over the fair value of net assets of approximately $1.4 billion is being amortized over periods of 20 to 40 years.

NOTE 4. NEWS CORP. INVESTMENT

In August 1995, the company made an initial investment of $1 billion in The News Corporation Limited (News Corp.). The investment was comprised of (i) an aggregate of 51 preferred shares of two U.S. subsidiaries of News Corp. (News Triangle Finance, Inc. and News T Investments, Inc.) with a stated value and liquidation preference of $850 million and bearing a dividend rate of 5.147%, and (ii) a four year warrant (purchase price of $150 million) to acquire up to approximately 155 million News Corp. ordinary shares for $850 million. The exercise price of the warrant is payable, at the company's option, in cash or through the surrender of the preferred shares. In addition, the company has an option for five years to invest an additional $1 billion under the same terms and for the same consideration as its initial investment. Under certain circumstances, News Corp. shall have the right to cause the company to make the additional $1 billion investment or a portion thereof. In January 1996, News Corp. exercised a portion of this right by requiring the company to invest $350 million in the first half of 1996.

Should the company exercise its warrants and acquire ordinary shares of News Corp., subject to certain exceptions, the company shall vote in the same proportion as all other votes. The company accounts for its investment in News Corp. under the cost method. In January 1996, the company received a dividend on its preferred stock investment in News Corp. of $18 million.

On January 25, 1996, the company submitted the winning bid of $682 million for the last remaining unallocated direct broadcast satellite (DBS) spectrum slot that provides coverage of all fifty states and Puerto Rico. The company and News Corp. will form a joint venture to enter the United States DBS video, audio and data market. The companies plan to invest approximately $1.3 billion, on a 50-50 basis, in the venture, and expect to offer service by late 1997.

NOTE 5. BRITISH TELECOMMUNICATIONS PLC ALLIANCE

On September 30, 1994, British Telecommunications plc (BT) completed the purchase of 136 million shares of the company's Class A common stock for $4.3 billion, which resulted in a 20% voting interest in the company. This purchase was achieved by the company's issuance of 108.5 million shares of Class A common stock to BT for $3.5 billion in cash on September 30, 1994 and BT's conversion of 13,736 shares of Series D convertible preferred stock, purchased for $830 million in June 1993, into 27.5 million shares of Class A common stock (see Note 10).

In conjunction with the above investment, the company purchased a 24.9% equity interest in Concert Communications Company (Concert), a business venture launched by BT in July 1994, which provides global enhanced telecommunications services for business customers. In addition, the company purchased from BT substantially all of the operations of BT North America Inc. in January 1994 for $108 million and divested its interest in AAP Telecommunications Pty. Ltd. in October 1994.

The company and BT lease each others' access lines at prevailing market rates in the ordinary course of business to process traffic in the United States and the United Kingdom. The company also conducts business with Concert through the provision and receipt of communications services at prevailing market rates. During 1995, 1994 and 1993, the amounts associated with those transactions were immaterial to the company.

NOTE 6. INVESTMENT IN AFFILIATES

The company has various investments accounted for under the equity method, which are reported in the accompanying balance sheets as investments in affiliates. At December 31, 1995, the net investment in affiliated companies was $495 million, which included net investment balances of $237 million for AVANTEL, S.A. de C.V. (AVANTEL), a 44.5% owned business venture with Grupo Financiero Banamex-Accival formed to provide competitive domestic and international long distance telecommunications services in Mexico, and $58 million for Concert. During 1996, the company is required to make an additional capital contribution in AVANTEL of approximately $250 million and expects to continue making capital contributions in Concert to maintain its proportionate equity interest.

E 7. MARKETABLE SECURITIES

At December 31, 1995 and 1994, all of the company's marketable securities were classified as available-for-sale and stated at fair value. These securities were included in the accompanying balance sheets as either cash and cash equivalents, current marketable securities or noncurrent marketable securities. At December 31, 1995, the portfolio consisted of $70 million of certificates of deposit, $385 million of U.S. Government agency securities and $129 million of corporate debt securities. At December 31, 1994, the portfolio consisted of $1,059 million of corporate debt securities, $875 million of U.S. Government agency securities, $748 million of certificates of deposit, $230 million of U.S. Treasury securities and $76 million of asset-backed securities.

At December 31, 1995, amortized cost equaled fair market value. At December 31, 1994, an unrealized loss of $9 million, net of estimated tax benefit, reduced additional paid in capital by $5 million. Sales of available-for-sale marketable securities during 1995 and 1994 resulted in a net realized gain of $13 million and a net realized loss of $3 million, respectively, which were included in interest income.

The distribution of maturities of marketable securities is as 'lows:

'ember 31,	1995		1994	
	Cost	Fair Value	Cost	Fair Value
(In millions)				
Marketable securities:				
Maturing within three months	$211	$211	$1,316	$1,316
Maturing within one year	373	373	842	839
Maturing between one and five years	–	–	830	824
Total marketable securities	$584	$584	$2,988	$2,979

NOTE 8. SUPPLEMENTARY BALANCE SHEET INFORMATION

December 31, *(In millions)*	1995	1994
Other current assets:		
Deferred income taxes	$ 317	$ 115
Other receivables, net	173	110
Other	259	129
Total other current assets	$ 749	$ 354
Other accrued liabilities:		
Taxes, other than income	$ 399	$ 263
Payroll and employee benefits	270	156
Reorganization costs	161	–
Other	898	474
Total other accrued liabilities	$1,728	$ 893
Deferred taxes and other:		
Deferred income taxes	$1,357	$1,192
Other	28	36
Total deferred taxes and other	$1,385	$1,228

NOTE 9. DEBT AND LEASE OBLIGATIONS

Company debt consists of:

December 31, *(In millions)*	1995	1994
Senior Notes, with maturities ranging from June 1996 to August 2004, at a weighted average interest rate of 6.9%, net of unamortized discount of $1 million	$1,486	$1,501
Senior Debentures, with maturities ranging from January 2023 to March 2025, at a weighted average interest rate of 7.9%, net of unamortized discount of $6 million	884	884
Capital lease obligations at a weighted average interest rate of 9.0% and 8.7%	589	596
Commercial paper and bank credit facility borrowings at a weighted average interest rate of 5.7%	705	–
Other debt at a weighted average interest rate of 7.6% and 5.4%	280	146
Total debt	3,944	3,127
Debt due within one year	(500)	(130)
Total long-term debt	$3,444	$2,997

Annual maturities of long-term debt for the five years after December 31, 1995 are as follows: $500 million in 1996; $166 million in 1997; $122 million in 1998; $386 million in 1999; and $1,196 million in 2000.

Total interest costs were $242 million in 1995, $231 million in 1994 and $239 million in 1993, of which $93 million, $78 million and $61 million, respectively, were capitalized.

At December 31, 1995 and 1994, the estimated fair value of the company's long-term debt, excluding capital lease obligations, is listed below. This valuation represents either quoted market values, where available, or the company's estimate based upon market prices of comparable debt instruments.

December 31,	1995		1994	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
(In millions)				
Senior Notes	$1,486	$1,540	$1,501	$1,438
Senior Debentures	884	955	884	793
Commercial paper and bank credit facility borrowings	705	705	–	–
Other debt	280	280	146	146
Total debt, excluding capital leases	$3,355	$3,480	$2,531	$2,377

The change in the estimated fair value versus the carrying amount of debt from 1994 to 1995 reflects the change in market rates during 1995 from rates above the company's fixed rate debt to levels below the company's fixed rate debt.

SENIOR NOTES AND DEBENTURES

In March 1994, the company issued $450 million principal amount of 7 3/4% Senior Debentures due March 23, 2025, $300 million principal amount of 6 1/4% Senior Notes due March 23, 1999 and $200 million principal amount of Senior Floating Rate Notes due March 16, 1999 (Senior Floating Rate Notes). In conjunction with the issuance of the Senior Floating Rate Notes, the company entered into an interest rate swap agreement for a notional principal amount of $200 million which resulted in an effective fixed interest cost of 6.37%. A substantial portion of the net proceeds from these issuances was used to repay commercial paper borrowings while the remaining proceeds were used for general corporate purposes. During 1995 and 1994, the company repaid $15 million and $93 million of maturing Senior Notes, leaving $2,370 million and $2,385 million of debt securities outstanding at a weighted average annual interest rate of 7.25% at December 31, 1995 and 1994, respectively.

The company has in effect a $1 billion shelf registration which will enable the company to issue debt securities with a range of maturities at either fixed or variable rates. The company has not issued any securities under this shelf registration at December 31, 1995.

COMMERCIAL PAPER AND BANK CREDIT FACILITY BORROWINGS

On July 8, 1994, the company executed a five year $2 billion bank credit facility agreement (Credit Facility) which replaced its previous $1.25 billion bank credit facility. In 1995, the Credit Facility was extended for another year and now expires in July 2000. This Credit Facility supports the company's commercial paper program and, in conjunction with this program, will be used to fund fluctuations in working capital and other general corporate requirements.

During 1995, the company issued commercial paper and borrowed under the Credit Facility an aggregate of $771 million and repaid an aggregate of $66 million. At December 31, 1995, there was $705 million outstanding under the commercial paper program and Credit Facility. Borrowings under the commercial paper program and Credit Facility are classified as noncurrent if the remaining term of the Credit Facility agreement exceeds one year and the unused commitment thereunder equals or exceeds the amount of commercial paper then outstanding. During 1994, the company issued commercial paper and borrowed under the credit facilities an aggregate of $6,637 million and repaid an aggregate of $6,876 million of credit facility and commercial paper borrowings, leaving no amounts outstanding at December 31, 1994.

RETIREMENTS AND REDEMPTIONS

In 1993, the company redeemed all $616 million, net of the unamortized discount, of its Zero-Coupon Subordinated Convertible Notes due December 11, 2004. The funds for this redemption came from the issuance of Senior Notes, Senior Debentures, commercial paper and credit facility borrowings. Also in 1993, the company redeemed all $575 million principal amount of its 10% Subordinated Debentures due April 1, 2011. This redemption was funded from segregated cash generated by the company's operations and earnings, as well as a portion of the proceeds from the sale of preferred stock to BT (see Note 5). An extraordinary loss of $45 million, net of current income tax benefit of $26 million, was recorded for the 1993 redemptions.

LEASE OBLIGATIONS

Future minimum rental commitments for capital leases are as follows: $140 million in 1996; $126 million in 1997; $64 million in 1998; $55 million in 1999; $51 million in 2000; and $596 million thereafter. At December 31, 1995, aggregate future minimum capital lease payments were $1,032 million including interest of $443 million. The present value of future capital lease payments at December 31, 1995 was $589 million. The gross and net book values of property and equipment financed by capital leases were $584 million and $274 million, respectively, at December 31, 1995 and $604 million and $271 million, respectively, at December 31, 1994. Future minimum rental commitments for noncancellable operating leases are as follows $217 million in 1996; $172 million in 1997; $136 million in 1998; $109 million in 1999; $82 million in 2000; and $246 million thereafter. At December 31, 1995, aggregate future minimum payments for noncancellable operating leases were $962 million.

.al rental expense for all operating leases was $321 million, . million and $227 million for the years ended December 31, 1995, 1994 and 1993, respectively.

NOTE 10. STOCKHOLDERS' EQUITY

PREFERRED STOCK RIGHTS PLAN

On September 7, 1994, the company's board of directors adopted a stockholders' rights plan (Rights Plan), effective September 30, 1994, and declared a dividend, payable to the holders of record on October 11, 1994, of one preferred share purchase right (Right) for each outstanding share of common stock and Class A common stock (collectively, Common Shares) to the stockholders of record on that date. The Rights will also be attached to certain future issuances of Common Shares. Each Right entitles the registered holder to purchase from the company one one-hundredth of a share of the company's Series E Junior Participating Preferred Stock, par value $.10 per share, (Series E Preferred Stock) for an initial purchase price of $100, subject to adjustment.

The Rights will become exercisable upon the occurrence of certain specified events, including a public announcement that a person or group of affiliated or associated persons (uiring Person) have acquired beneficial ownership of or more of the outstanding Common Shares (more than 2υ.1% in the case of share acquisitions by BT). In the event that any person or group of affiliated or associated persons becomes an Acquiring Person, each holder of a Right (other than Rights beneficially owned by the Acquiring Person, which will become void), will thereafter have the right, subject to certain restrictions, to receive upon exercise in lieu of Series E Preferred Stock that number of shares of the company's common stock (or, at the option of the company, that number of one one-hundredth of a share of Series E Preferred Stock) determined as set forth in the Rights Plan.

For purposes of the Rights Plan, the company's board of directors has designated 10 million shares of Series E Preferred Stock which amount may be increased or decreased by the board of directors. All Rights expire on September 30, 2004, unless this date is extended or the Rights are earlier redeemed or exchanged by the company in accordance with the Rights Plan.

CLASS A COMMON STOCK

On September 30, 1994, BT completed the purchase of 136 million shares of the company's Class A common stock for $4.3 billion, which resulted in a 20% voting interest in the company. This purchase was achieved by the company's issuance of 108.5 million shares of Class A common stock to BT for a cash payment of $3.5 billion on September 30, 1994, and BT's conversion of all the outstanding 13,736 shares of Series D convertible preferred stock (Series D), purchased for $830 million in June 1993, into 27.5 million shares of Class A common stock. The company paid dividends of $50 and $100 per share on the Series D in 1994 and 1993, respectively, and $.05 and $.025 on the Class A common stock in 1995 and 1994, respectively.

At December 31, 1995, all of the Class A common stock was held by BT. The Class A common stock is equivalent on a per share basis to the company's common stock, except with respect to certain voting rights. BT is entitled to proportionate representation on the company's board of directors, which currently equates to three seats. In addition to board representation, BT is entitled to preemptive rights with respect to the issuance of additional shares of common stock and to investor protections with respect to certain corporate actions of the company. Shares of Class A common stock automatically convert into common stock upon transfer and in certain other events.

COMMON STOCK

On May 24, 1993, the company's board of directors declared a two-for-one stock split in the form of a 100% stock dividend, which was issued on July 9, 1993 to stockholders of record as of the close of business on June 11, 1993. The following have been adjusted for the effect of the common stock dividend: 1993 and prior years' per share amounts, 1993 treasury stock transactions, the December 31, 1993 treasury stock balances and data for common stock options and the employee stock purchase plan.

In 1995, 1994 and 1993, the company paid semiannual dividends of $.025 per share on its common stock.

NOTE 11. STOCK OPTION AND EMPLOYEE STOCK PURCHASE PLANS

EMPLOYEE AND DIRECTORS' STOCK OPTION PLANS

The current Employee Stock Option Plan (Plan) provides for the issuance of up to 108 million shares of common stock. On an annual basis, pursuant to the Plan, the board of directors may increase the maximum number of shares available for issuance under the Plan as of each January 1, by up to 5% of the number of shares of common stock outstanding at each such date. Options granted under the Plan are exercisable at such times and in such installments as determined by the compensation committee of the board of directors. Options granted under the Plan may not have an option price less than the fair market value of the common stock on the date of the grant.

Stock appreciation rights may be granted in combination with a stock option either at the time of the grant or anytime thereafter. No stock appreciation rights had been granted at December 31, 1995.

The compensation committee may also grant restricted stock awards and performance share awards, subject to such conditions, restrictions and requirements as the committee may determine in its sole discretion. During the year ended December 31, 1995, there were approximately 375,000 restricted shares granted. At December 31, 1995, there were approximately 1,222,000 restricted shares outstanding. No performance share awards had been issued at December 31, 1995.

The compensation committee may grant both incentive stock options and non-qualified options under the Plan. All options granted in the last three years have been non-qualified options. These non-qualified options expire after ten years and are exercisable to the extent of 33% of the option shares after one year, 66% after two years and 100% after three years. Incentive stock options expire between five and ten years after issuance and are exercisable to the extent of 33% of the option shares after one year, 66% after two years and 100% after three years.

The Plan permits the holder of an option to pay the purchase price for stock option exercises by surrendering shares of the company's common stock having a fair market value equal to, or greater than, the purchase price.

The company also has a stock option plan for non-employee directors (Directors' Plan) which provides for the issuance of up to 1,000,000 shares of common stock. Under the Directors' Plan, each non-employee director has been granted a five-year option to purchase up to 40,000 shares of common stock at the closing price of the common stock on the date of grant. The options are exercisable after the first anniversary of the date of grant, in cumulative installments of 25% per year. Similar options will be granted automatically to all new board members who are not employees, including the nominee directors from BT. Upon the fifth anniversary of the date of grant of options, the unexercised portion of the grant shall be canceled and a new option for 40,000 shares shall be granted automatically.

Additional information with respect to stock options under these plans is:

(In millions, except per common share amounts)	Number of Shares	Option Amount Per Common Share	Option Amount Total
Shares under option, December 31, 1992	50.0	$ 3.25-22.44	$ 690.9
Options granted	18.6	20.56-28.75	394.5
Options exercised	(15.0)	3.25-22.44	(202.4)
Options terminated	(2.3)	9.38-28.75	(40.6)
Shares under option, December 31, 1993	51.3	3.44-28.75	842.4
Options granted	22.3	18.88-26.88	587.1
Options exercised	(8.1)	3.44-22.44	(110.2)
Options terminated	(3.2)	3.81-28.75	(74.9)
Shares under option, December 31, 1994	62.3	3.44-28.75	1,244.4
Options granted	25.2	18.38-26.50	482.2
Options exercised	(9.8)	3.44-26.88	(149.0)
Options terminated	(6.0)	5.38-28.25	(134.2)
Shares under option, December 31, 1995	71.7	$ 3.44-28.75	$1,443.4
Options exercisable, December 31, 1995	31.1	$ 3.44-28.75	$ 565.1

At December 31, 1995, the company had 5.7 million shares available for future grant.

EMPLOYEE STOCK PURCHASE PLAN

Under the current Employee Stock Purchase Plan (ESPP Plan), up to 45 million shares of common stock may be purchased by eligible employees of the company through payroll deductions of up to 15% of their eligible compensation. The purchase price is equal to the lesser of (a) 85% of the fair market value of the stock on the date it is purchased or (b) 85% of the fair market value of the stock on certain specified valuation dates.

COMMON STOCK RESERVED FOR FUTURE ISSUANCE

At December 31, 1995, 89.8 million shares of the company's authorized common stock, including 71.7 million shares under option, were reserved for future issuance under the Employee and Directors' Stock Option Plans and the ESPP Plan. The company has opted to use treasury shares to fulfill the purchases made under these plans during the three-year period ended December 31, 1995.

12. EMPLOYEE BENEFIT PLANS

PENSION PLANS

The company maintains a noncontributory defined benefit pension plan (MCI Plan) and a supplemental pension plan (Supplemental Plan). Western Union International, Inc. (WUI), a subsidiary of the company, also has a defined benefit pension plan (WUI Plan). Collectively, these plans cover substantially all employees who work 1,000 hours in a year.

The MCI Plan and the Supplemental Plan provide pension benefits that are based on the employee's compensation for each year of service prior to retirement. The WUI Plan provides pension benefits based on the employee's compensation for each year of service after 1990 and prior to retirement.

The company's policy is to fund the MCI Plan and the WUI Plan in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974 and within the limits of allowable tax deductions. The assets of the plans are primarily invested in corporate equities, government securities and corporate debt securities.

Net periodic pension cost includes:

Year ended December 31, *(In millions)*	1995	1994	1993
ce cost during the period	$ 40	$ 37	$ 18
est cost on projected benefit obligation	25	21	14
Actual return on plan assets	(70)	3	(21)
Net amortization and deferral	48	(20)	7
Net pension cost	$ 43	$ 41	$ 18

Pension cost increased in 1994 primarily due to a plan amendment which increased MCI Plan benefits effective January 1, 1994.

The company's pension asset consists of:

December 31, *(In millions)*	1995	1994
Plan assets at fair value	$ 399	$ 254
Accumulated benefit obligation including vested benefits of $305 in 1995 and $173 in 1994	(334)	(194)
Plan assets in excess of accumulated benefit obligation	$ 65	$ 60
Plan assets at fair value	$ 399	$ 254
Projected benefit obligation for service rendered to date	(401)	(271)
Plan assets less than projected benefit obligation	(2)	(17)
Unrecognized net (gain) loss from past experience different from that assumed	12	(16)
Prior service cost not yet recognized in net periodic pension cost	33	64
ecognized net asset at January 1, 1986 ing recognized over 16 years	(4)	(5)
otal prepaid pension asset	$ 69	$ 26

The discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation at December 31, 1995 were 7.25% and 5%, respectively, for the plans. At December 31, 1994, the discount rate used was 8.75% and the rate of increase in future compensation levels was 5% for both plans. The expected long-term rate of return on assets in 1995 and 1994 was 9% for the MCI Plan and 8.5% for the WUI Plan.

Annual service cost is determined using the Projected Unit Credit actuarial method and prior service cost is amortized on a straight-line basis over the average remaining service period of employees.

Effective January 1, 1996, the company amended the MCI Plan. Retirement benefits will be calculated by first establishing an initial balance for each participant based on the present value of benefits earned through 1995. For service after 1995, participants will accrue benefits based on a specific percentage of annual salary and will earn interest credits based on the prior year's balance at a specific interest rate. To protect the interests of employees who are age 50 or older and have at least five years of service, benefits will continue to accrue under the current formula through the year 2001. The amendment resulted in a reduction to the 1995 projected benefit obligation for services rendered to date of approximately $27 million.

EMPLOYEE STOCK OWNERSHIP PLAN AND 401(K) PLANS

The company has combined employee stock ownership (ESOP) and 401(k) retirement savings plans (RSP) covering substantially all of its employees. The savings plans allow employees to defer pretax income in accordance with the requirements of Internal Revenue Code Section 401(k). The company matches employee contributions up to a certain limit. Participants vest in the company's matching contributions at a rate of 20% per year of service and are immediately 100% vested in their elective deferrals.

During 1994, the company made a one time supplemental contribution of approximately 874,000 shares of common stock to the 401(k) sections of its plans in place of a contribution to the ESOP for the plan year ended December 31, 1993. At this time, future contributions to the ESOP have been suspended. Effective January 1, 1994, the company increased the matching contribution on 401(k) contributions to encourage employee savings. The company contributed approximately 1,741,000 shares, 1,455,000 shares and 791,000 shares of its common stock as the company's matching contribution to the RSP for the plan years ended December 31, 1995, 1994 and 1993, respectively.

WUI sponsors a 401(k) savings plan for its collectively bargained employees (WUI 401(k)). The savings plan is intended to meet requirements of Internal Revenue Code Section 401(k). WUI 401(k) participants vest in the company's matching contributions at a rate of 20% per year of service and are immediately 100% vested in their elective deferrals. The company contributed approximately 24,000 shares, 22,000 shares and 19,000 shares of its common stock to the WUI 401(k) for the plan years ended December 31, 1995, 1994 and 1993, respectively.

NOTE 13. INCOME TAXES

The components of the total income tax provision are:

Year ended December 31,	1995	1994	1993
(In millions)			
Current			
Federal	$182	$190	$148
State and local	23	26	17
Current income tax provision	205	216	165
Deferred			
Federal	129	243	227
State and local	15	26	26
Deferred income tax provision	144	269	253
Total income tax provision	$349	$485	$418

A reconciliation of the statutory federal income tax rate to the company's effective income tax rate is:

Year ended December 31,	1995	1994	1993
Statutory federal income tax rate	35%	35%	35%
State and local income taxes, net of federal income tax effect	3	3	3
Nondeductible amortization	2	1	1
Changes in federal tax laws	–	–	1
Other	(1)	(1)	–
Effective income tax rate	39%	38%	40%

In 1995, 1994 and 1993 the company recorded a tax benefit of $25 million, $63 million and $36 million, respectively, to additional paid in capital for tax deductions related to common stock transactions with its employee benefit plans.

At December 31, 1995, for federal income tax purposes, the company has available $207 million of Alternative Minimum Tax (AMT) credit carryforwards which have no expiration date. In addition, the company has available $73 million of acquired U.S. net operating loss carryforwards expiring through 2009, all of which is subject to limitation due to change in ownership control, and $14 million of acquired U.K. net operating loss carryforwards.

At December 31, 1995, 1994 and 1993, the company's net deferred income tax liability is comprised of the following:

	1995	1994	1993
(In millions)			
Deferred income tax asset	$ 587	$ 321	$ 338
Deferred income tax liability	(1,627)	(1,398)	(1,149)
Net deferred income tax liability	$(1,040)	$(1,077)	$ (811)
The components of these amounts are:			
Communications system	$(1,577)	$(1,312)	$(1,097)
Customer discounts	(87)	(61)	(43)
Allowance for uncollectibles	56	46	20
Reorganization and realignment expenses	61	4	56
Domestic equity investments	38	(6)	–
Alternative minimum and general business tax credits	104	102	116
Other, net	365	150	137
Net deferred income tax liability	$(1,040)	$(1,077)	$ (811)

The company has not recorded any valuation allowances against its deferred income tax assets under Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," during the years ended December 31, 1995, 1994 and 1993.

NOTE 14. CONTINGENCIES

The company, in the normal course of business, is a party to a number of lawsuits and regulatory and other proceedings. The company's management does not expect that the results in these lawsuits and proceedings will have a material adverse effect on the consolidated financial position or results of operations of the company.

In December 1992, the company petitioned the United States District Court for the District of Columbia for a declaratory ruling that certain patents being asserted against the company by AT&T Corp. (AT&T) were invalid and that AT&T should therefore, and for other reasons, be barred from enforcing them against the company. AT&T counterclaimed that the company was violating certain patents. In May 1993, AT&T and Unitel Communications Inc., a Canadian corporation in which AT&T has an equity interest, filed a companion suit in Canada, alleging that the company and the Stentor Group of Canadian telephone companies (with which the company has an alliance) are infringing in Canada four of the patents at issue in the U.S. litigation. Although discovery has not yet been completed, the company does not expect that either action will have a material adverse effect on the consolidated financial position or results of operations of the company.

15. SELECTED QUARTERLY INFORMATION (UNAUDITED)

Three months ended *(In millions, except per share amounts)*	Dec. 31, 1995	Sept. 30, 1995	June 30, 1995	Mar. 31, 1995
Revenue	$4,136	$3,862	$3,706	$3,561
Operating expenses:				
Telecommunications	2,072	2,001	1,921	1,819
Sales, operations and general	1,207	1,283	1,023	993
Depreciation	336	328	325	319
Asset write-down	–	520	–	–
Income (loss) from operations	521	(270)	437	430
Equity in income (losses) of affiliated companies	(24)	(116)	(18)	(29)
Net income (loss)	284	(240)	260	244
Earnings (loss) per common and common equivalent shares	.41	(.35)	.38	.36
Weighted average number of shares of common stock and common stock equivalents outstanding	694	688	684	685

Three months ended *(In millions, except per share amounts)*	Dec. 31, 1994	Sept. 30, 1994	June 30, 1994	Mar. 31, 1994
Revenue	$3,401	$3,407	$3,309	$3,221
Operating expenses:				
Telecommunications	1,764	1,765	1,715	1,672
Sales, operations and general	999	952	933	906
Depreciation	358	282	272	264
Income from operations	280	408	389	379
Equity in income (losses) of affiliated companies	(6)	1	1	–
Net income	151	220	215	209
Earnings applicable to common stockholders	151	220	214	209
Earnings per common and common equivalent shares	.22	.38	.37	.36
Weighted average number of shares of common stock and common stock equivalents outstanding	685	579	575	580

In September and November 1995, the company acquired all of the outstanding shares of common stock of Nationwide and SHL, respectively. These acquisitions were accounted for as purchases; accordingly, the net assets and results of operations of the acquired companies are included in the information above since their respective acquisition dates.

The three months ended September 30, 1995 includes $831 million of special pretax charges. Charges include a $520 million asset write-down, $216 million primarily of reorganization costs and $95 million recorded as equity in income (losses) of affiliated companies where restructuring plans have been implemented or where an adjustment for recoverability was made.

The three months ended December 31, 1994 includes $148 million of special pretax items. Items include incremental expenses of $70 million associated with the launch of networkMCI BUSINESS and an additional $63 million depreciation charge.

On September 30, 1994, BT completed the purchase of 136 million shares of the company's Class A common stock for $4.3 billion, which resulted in a 20% voting interest in the company. This was achieved by the issuance of 108.5 million shares of Class A common stock to BT for $3.5 billion on September 30, 1994 and BT's conversion of 13,736 shares of Series D convertible preferred stock, purchased for $830 million in June 1993, into 27.5 million shares of Class A common stock. This investment is reflected in stockholders' equity.

Since there are changes in the weighted average number of shares outstanding each quarter, the sum of earnings per share by quarter may not equal the earnings per share for the applicable year.

REPORTS OF MANAGEMENT AND INDEPENDENT ACCOUNTANTS

REPORT OF MANAGEMENT

The management of the company is responsible for the financial information and representations contained in the financial statements, notes and all other sections of the annual report. The financial statements have been prepared in conformity with generally accepted accounting principles appropriate under the circumstances to reflect, in all material respects, the substance of events and transactions which have occurred. In preparing the financial statements, it is necessary that management make informed estimates and judgments based on currently available information in order to record the results of certain events and transactions.

The company maintains a system of internal controls designed to enable management to meet its responsibility for reporting reliable financial information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded and executed with management's authorization. Internal control systems are subject to inherent limitations due to the necessity to balance costs incurred with benefits provided. The company believes that the existing system of internal controls provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected in a timely manner.

The board of directors pursues its oversight role for the financial statements through its audit committee, which is comprised solely of directors who are not officers or employees of the company. They are responsible for engaging, subject to stockholder approval, the independent accountants. The audit committee meets periodically with management and the independent accountants to review their activities in connection with financial reporting matters. The independent accountants have full and free access to meet with the audit committee, without management representatives present, to discuss the results of their examination and the adequacy and quality of internal controls and financial reporting.

The report of our independent accountants, Price Waterhouse LLP, appears herewith. Their audit of the financial statements includes a review of the company's system of internal controls and testing of records as required by generally accepted auditing standards.

David M. Case
Vice President and Controller
January 29, 1996

REPORT OF INDEPENDENT ACCOUNTANTS
PRICE WATERHOUSE LLP

To the Board of Directors and Stockholders of
MCI Communications Corporation

In our opinion, the consolidated balance sheets and the related consolidated income statements, statements of cash flows and stockholders' equity appearing on pages 14 through 28 present fairly, in all material respects, the financial position of MCI Communications Corporation and its subsidiaries at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse LLP

Price Waterhouse LLP
January 29, 1996
Washington, D.C.

BOARD OF DIRECTORS

B C. ROBERTS, JR.
man and Chief Executive Officer

CLIFFORD L. ALEXANDER, JR.
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Alexander and Associates, Inc.
Washington, DC

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Law Center Affairs
and Dean of the Law Center
Georgetown University
Washington, DC

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Partner
Haley, Bader & Potts
Arlington, Virginia

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Chief Executive
British Telecommunications plc

ARD M. JONES
.er Chairman and
Chief Executive Officer
Guaranty Federal Savings Bank
Chicago, Illinois

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Corporate Financial Advisor
Washington, DC

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Managing Director
Global Communications Division
British Telecommunications plc

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The News Corporation Limited

DR. ALAN W. RUDGE
Deputy Chief Executive
British Telecommunications plc

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President and Chief Executive Officer
Strategic Enterprises, Inc.
Edwards, Colorado

GERALD H. TAYLOR
President and Chief Operating Officer

JUDITH WHITTAKER
Vice President – Legal
Hallmark Cards
Kansas City, Missouri

JOHN R. WORTHINGTON
Consultant
Washington, DC

OFFICERS

BERT C. ROBERTS, JR.
Chairman and
Chief Executive Officer

GERALD H. TAYLOR
President and
Chief Operating Officer

TIMOTHY F. PRICE
President
MCI Telecommunications
Corporation

DOUGLAS L. MAINE
Executive Vice President and
Chief Financial Officer

MICHAEL J. ROWNY
Executive Vice President
Ventures and Developing Markets

MICHAEL H. SALSBURY
Executive Vice President and
General Counsel

SETH D. BLUMENFELD
President
MCI International, Inc.

FRED M. BRIGGS
Chief Engineering Officer

ANGELA O. DUNLAP
Executive Vice President
Corporate Communications

JOHN W. GERDELMAN
President
networkMCI Services

WAYNE E. HUYARD
President
Mass Markets Sales and Service

SCOTT B. ROSS
President and
Chief Operating Officer
SHL Systemhouse Inc.

LANCE B. BOXER
Senior Vice President and
Chief Information Officer

BRIAN A. BREWER
Senior Vice President
Business Marketing

VINTON G. CERF
Senior Vice President
Data Architecture

DANIEL E. CRAWFORD
Chief Operating Officer
AVANTEL, S.A.

NATHANIEL A. DAVIS
Senior Vice President
Network Operations and
President, MCImetro

JERRY A. DEMARTINO
Senior Vice President
Global Strategy and Development

DANIEL M. DENNIS
President
Strategic Accounts

JOHN G. DONOGHUE
Senior Vice President
Consumer Marketing

NANCY B. GOFUS
Senior Vice President
Concert

LAURENCE E. HARRIS
Senior Vice President
Public Policy

ROBERT B. HARTNETT
Regional President
Business Sales and Service

GERALD J. KOVACH
Senior Vice President
Government Relations

OMAR T. LEEMAN
Regional President
Business Sales and Service

JAMES L. LEWIS
Senior Vice President
Regulatory Affairs

DONALD T. LYNCH
Senior Vice President
Business Financial Operations

SHERRY R. MOREHOUSE
Senior Vice President
Network Planning & Engineering

SUSAN MAYER
Senior Vice President
Corporate Development

JAMES M. SCHNEIDER
Senior Vice President
Corporate Finance

WILLIAM D. WOOTEN
Senior Vice President and
Chief Human Resources Officer

C. BOLTON-SMITH, JR.
Secretary

DAVID M. CASE
Controller

JONELLE ST. JOHN
Treasurer

NL TOCKHOLDERS MEETING
r 1996 – 12 noon
ıada Hotel Classic
ıuquerque, NM

ıMON STOCK TRANSFER AGENT AND REGISTRAR
..mical Mellon Shareholder Services, LLC
Challenger Road
ȝefield Park, NJ 07606
)0-934-6242
2-613-7427
mical Mellon's TDD number for the speech and
·ing-impaired is 1-800-231-5469

ИMON STOCK TRADED ON THE NASDAQ STOCK MARKET
ŚDAQ Symbol: MCIC.

'STEE — SENIOR DEBT
ɔank, N.A.
ırporate Trust & Agency Company
'^·Wall Street, 13th Floor
York, NY 10043
800-422-2066
ı1-⌒⌒-8644

ᶦUS — SUBORDINATED DEBT
ınkers Trust Company
porate Trust & Agency Company
ʌlbany Street, 8th Floor
ew York, NY 10015
-250-2500

.DEPENDENT ACCOUNTANTS
e Waterhouse LLP
.ᵣl K Street, N.W.
'ashington, DC 20005

_DEND RECORD
ı 1994 and 1995 MCI paid a dividend on its Common
k of $.025 per share in both June and December.

STOCK PRICE RANGE

Quarter Ended	High	Low	Close
	Sale Price		
December 31, 1995	\$27½	\$23¾	\$26⅛
September 30, 1995	27⅛	20⅞	26 1/16
June 30, 1995	23⅛	19 7/64	22
March 31, 1995	21¼	17⅜	20⅜
December 31, 1994	\$25½	\$17¼	\$18⅜
September 30, 1994	25⅞	21½	25⅜
June 30, 1994	24 15/16	21⅜	22⅛
March 31, 1994	29	22⅝	23⅜

Record Holders of Common Stock at December 31, 1995: 51,239.

COMMON STOCK TRANSFER AGENT
The following inquiries should be made directly to stockholder services at Chemical Mellon by calling 1-800-934-6242.

➢ Change of address
➢ Lost stock certificates
➢ Dividend payments
➢ Transfer of stock to another person
➢ Other administrative concerns

CORPORATE INFORMATION/INVESTOR SERVICES
The following information is available without charge to stockholders and interested parties:

➢ Annual Report
➢ Form 10K, annual report to the Securities and Exchange Commission
➢ Form 10Q, quarterly report to the Securities and Exchange Commission
➢ MCI Investor Quarterly

To request any of these publications or for additional information on the company, its finances, operations and services, contact:

Raymond C. Allieri
Vice President, Investor Relations
MCI Communications Corporation
1801 Pennsylvania Avenue, N. W.
Washington, DC 20006
Telephone: 1-800-765-2115
202-887-2028
Fax: 202-887-2967
MCI Mail: MCI Investor Relations
Internet address: 640-5834@mcimail.com

MCI WORLDWIDE LOCATIONS

UNITED STATES

MCI WORLD HEADQUARTERS
1801 Pennsylvania Avenue, N.W
Washington, DC, 20006
202-872-1600

BUSINESS MARKETING
MCI Center
Three Ravinia Drive
Atlanta, GA 30346
770-668-6000

CONSUMER MARKETING
1200 South Hayes Street
Arlington, VA 22202
703-415-6000

MCI INTERNATIONAL, INC.
Two International Drive
Rye Brook, NY 10573
914-937-3444

MCImetro
8521 Leesburg Pike
Vienna, VA 22182
703-918-6000

networkMCI SERVICES
2400 North Glenville Drive
Richardson, TX 75082
214-918-3000

INFORMATION TECHNOLOGY
901 International Parkway
Richardson, TX 75081
214-498-1000

MCI SOFTWARE DEVELOPMENT
2424 Garden of the Gods Road
Colorado Springs, CO 80919
719-535-1300

BUSINESS SALES & SERVICE

GREAT LAKES REGION
3 Westbrook Corporate Center
Suite 700
Westchester, IL 60154
708-409-1300

PACIFIC REGION
2175 North California Boulevard
Suite 700
Walnut Creek, CA 94596
510-295-2600

NORTHEAST METRO REGION
3 Bala Plaza East
Suite 700
Bala Cynwyd, PA 19004
610-668-2320

SOUTHEASTERN REGION
780 Johnson Ferry Road
8th Floor
Atlanta, GA 30342
404-250-5500

SOUTHWEST REGION
13155 Noel Road
13th Floor
Dallas, TX 75240
214-774-3400

WEST REGION
MCI Plaza
6312 South Fiddlers Green Circle
Suite 600 East
Englewood, CO 80111
303-770-7474

CENTRAL ATLANTIC REGIO
1350 Euclid Avenue
Suite 800
Cleveland, OH 44115
216-241-0622

CORPORATE NATIONAL ACCOUNTS WEST
700 South Flower Street
16th Floor
Los Angeles, CA 90017
213-625-1005

CORPORATE NATIONAL ACCOUNTS EAST
Concourse Corporate Cente
Six Concourse Parkway
Suite 600
Atlanta, GA 30328
770-396-4000

CORPORATE NATIONAL ACCOUNTS NEW YORK
757 Third Avenue
10th Floor
New York, NY 10017
212-326-4300

INTERNATIONAL

ARGENTINA
AUSTRALIA
BELGIUM
BANGLADESH
BOLIVIA
BRAZIL
CANADA
CHILE
CHINA
COLOMBIA
COSTA RICA
COTE D'IVOIRE
CZECH REPUBLIC
ECUADOR
EGYPT
EL SALVADOR
ETHIOPIA
FRANCE
GERMANY
GREECE
GUAM
GUATEMALA
HAITI
HONG KONG
HUNGARY
INDIA
INDONESIA
IRAN
IRELAND
ISRAEL
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KUWAIT
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MEXICO
MOROCCO
NETHERLANDS
NETHERLANDS ANTILLES
NIGERIA
OMAN
PAKISTAN
PANAMA
PERU
PHILIPPINES
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PUERTO RICO
QATAR
RUSSIA
SAUDI ARABIA
SINGAPORE
SPAIN
SWEDEN
SWITZERLAND
SYRIA
TAIWAN
THAILAND
TRINIDAD/TOBAGO
TUNISIA
TURKEY
UNITED KINGDOM
URUGUAY
VENEZUELA

INVESTMENTS, VENTURES AND DEVELOPING MARKETS

CONCERT
British Telecommunications plc (BT)

AVANTEL, S.A.
Grupo Financiero Banamex-Accival (Banacci)

STENTOR
Alliance of Canada's major telecommunications companies

IN-FLIGHT PHONE CORPORATION, INC.

ICS COMMUNICATIONS, INC.

BELIZE TELECOMMUNICATIONS, LTD.

CLEAR COMMUNICATIONS, LTD.

GENERAL COMMUNICATION, INC.

THE NEWS CORPORATION LIMITED

NATIONWIDE CELLULAR SERVICE, INC.

DAROME TELECONFERENCING, IN

SHL SYSTEMHOUSE IN

Printed on recycled paper.

WILLOUGHBY & HOEFER, P.A.
ATTORNEYS & COUNSELORS AT LAW
1022 CALHOUN STREET (SUITE 302)
P.O. BOX 8416
COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY
JOHN M.S. HOEFER
ALVIS J. BYNUM, JR.*
B. CRAIG COLLINS
ELIZABETH ZECK**
ROBIN M. JOHNSON***
PAIGE J. GOSSETT

*ALSO ADMITTED IN NC
**ALSO ADMITTED IN TX
***ALSO ADMITTED IN NY

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

April 8, 1997

S.C. PUBLIC SERVICE COMMISSION
RECEIVED
APR 8 1997
RECEIVED

HAND DELIVERED

The Honorable Charles W. Ballentine
Executive Director
The Public Service Commission of
South Carolina
Post Office Drawer 11649
Columbia, SC 29211

Re: Application of MCImetro Access Transmission Services, Inc. for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services.

Dear Mr. Ballentine:

Enclosed please find the original and ten (10) copies of MCImetro's Price List for Access Services and Local Exchange Services in connection with the illustrative tariffs heretofore filed in the above-captioned matter. These price lists should be placed with the documents previously filed. Please contact me with any questions or comments you may have. With best regards, I am

Sincerely,

WILLOUGHBY & HOEFER, P.A.

John M. S. Hoefer

JMSH/tkt
enclosures
cc: Marsha A. Ward, Esquire

2-MCI\METRO\CWB2.LTR

MCImetro ACCESS TRANSMISSION
SERVICES, INC.

LOCAL EXCANGE SERVICE

PRICE LIST

Prices for services and facilities set forth in the Company's SC PSC Tariff No. 2 will be competitive with those of BellSouth Telecommunications, Inc.

WITHIN SOUTH CAROLINA

Issued: Effective:

Julie L. Davis
Manager, Rates and Tariffs
MCImetro Access Transmission Services, Inc.
780 Johnson Ferry Road, Suite 700, Atlanta, GA 30342

ACCESS SERVICES

PRICE LIST

Prices for services and facilities set forth in the Company's SC PSC Tariff No. 1 will be competitive with those of BellSouth Telecommunications, Inc.

Julie L. Davis
Manager, Rates and Tariffs
MCImetro Access Transmission Services, Inc.
780 Johnson Ferry Road, Suite 700, Atlanta, GA 30342

Harry M. Lightsey, III
General Counsel-South Carolina

Suite 821
1600 Hampton Street
Columbia, South Carolina 29201
803 748-8700
Fax: 803 254-1731

April 10, 1997

Mr. Charles W. Ballentine
Executive Director
South Carolina Public Service Commission
111 Doctors Circle
Post Office Box 11649
Columbia, South Carolina 29211

Re: 97-115-C

Dear Mr. Ballentine:

Enclosed please find the original and five copies of a Petition to Intervene in the above referenced docket to be filed on behalf of BellSouth Telecommunications, Inc.

By copy of this letter, I am serving this Petition to Intervene upon counsel of record.

Sincerely,

Harry M. Lightsey, III

HML/jm

Enclosures

RECEIVED
APR 14 1997
Willoughby & Hoefer, P.A.

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 97-115-C

IN RE: MCIMetro Access Transmission Services Request Authority to Provide Intrastate Telecommunications Service	PETITION TO INTERVENE

COMES NOW BellSouth Telecommunications, Inc. (hereinafter "BellSouth," "Company" or "Petitioner") and respectfully petitions the Public Service Commission of South Carolina (hereinafter "the Commission") for leave to intervene as a formal party of record in the above-captioned proceeding. In support of this Petition, BellSouth Telecommunications, Inc. shows as follows:

1. Petitioner is a public utility presently providing comprehensive telecommunications services to its subscribers pursuant to intrastate tariffs approved by the Commission.

2. AT&T Communications of the Southern States (hereinafter "AT&T") filed with the South Carolina Public Service Commission its Application for authority to operate as a reseller

of telecommunications services within the State of South Carolina.

3. In his Notice of Filing, the Executive Director for the South Carolina Public Service Commission advised that any person wishing to participate in this hearing as a party should petition to intervene on or before May 16, 1997.

4. Upon BellSouth's further review of the Application, it is BellSouth's position that it should be permitted to intervene in this proceeding because BellSouth is a provider of local telephone service in South Carolina and, therefore, will be affected by the Commission's rulings in this docket.

5. Permitting BellSouth as a party will not cause a delay in complying with deadlines imposed for filing testimony or in the hearing scheduled in this matter.

WHEREFORE, based on the foregoing, BellSouth Telecommunications, Inc. requests the following relief:

1. that it be allowed to intervene as a formal party of record in this proceeding by this Commission's granting its Petition to Intervene;

2. that the applicant and any other parties of record be directed to provide BellSouth with a copy of any pleadings,

testimony and exhibits or any other filings made in this proceeding; and

3. that the Commission grant such other relief as it deems just and proper.

BELLSOUTH TELECOMMUNICATIONS, INC.
Post Office Box 752
Columbia, South Carolina 29202
(803) 748-8700

By
Harry M. Lightsey, III
Its Attorney

Columbia, South Carolina

April 10, 1997

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

PERSONALLY APPEARED before me, Jeanette B. Mattison, who, being duly sworn, deposes and says that she is employed by the Legal Department for BellSouth Telecommunications, Inc. and that she has caused the Petition to Intervene of BellSouth Telecommunications, Inc. in Docket No. 97-115-C to be served by placing such in the care and custody of the United States Postal Service, with first-class postage affixed thereto and addressed to the following this April 10, 1997:

John M. S. Hoefer, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416

Philip S. Porter, Esquire
S. C. Consumer Affairs
Department of Consumer Affairs
Post Office Box 5757
Columbia, South Carolina 29250-5757

F. David Butler, Esquire
General Counsel
S. C. Public Service Commission
Post Office Box 11649
Columbia, South Carolina 29211

Jeanette B. Mattison

TELECOPIER COVER SHEET

WILLOUGHBY & HOEFER, P.A.
1022 CALHOUN STREET, SUITE 302
POST OFFICE BOX 8416
COLUMBIA, SC 29202-8416

TELEPHONE NO. 803-252-3300
TELECOPIER NO. 803-256-8062

TO: Marsha A. Ward, Esquire

TELECOPIER NO: 404-267-5992

FROM: John M. S. Hoefer, Esquire

DATE: April 15, 1997 **TIME:** [redacted] 9:20aM

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TELEPHONE NO. 803-252-3300
TELECOPIER NO. 803-256-8062

TO: Greg Darnell

TELECOPIER NO: 404-267-5992

FROM: John M. S. Hoefer, Esquire

DATE: April 15, 1997 **TIME:** 9:20 a.m

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COLUMBIA, SC 29202-8416

TELEPHONE NO. 803-252-3300
TELECOPIER NO. 803-256-8062

TO: Jeff Champlin

TELECOPIER NO: 512-477-3845

FROM: John Hoefer

DATE: April 15, 1997 TIME: 9:20am

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TX/RX NO.	3669
CONNECTION TEL	14042675992p001
CONNECTION ID	
START TIME	04/15 09:23
USAGE TIME	02'21
PAGES	6
RESULT	OK

TELECOPIER COVER SHEET

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1022 CALHOUN STREET, SUITE 302
POST OFFICE BOX 8416
COLUMBIA, SC 29202-8416

TELEPHONE NO. 803-252-3300
TELECOPIER NO. 803-256-8062

TO: Marsha A. Ward, Esquire

TELECOPIER NO: 404-267-5992

FROM: John M. S. Hoefer, Esquire

DATE: April 15, 1997 **TIME:** 9:20aM

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